

Council Meeting of Sept. 9, 2015

Agenda Item No. B.6

## REQUEST FOR COUNCIL ACTION

**SUBJECT:** Implementation Date for Stormwater ERU Change

**SUMMARY:** Set an effective date for implementation for the changes made on August 12, 2015 regarding the stormwater ERU change.

**FISCAL IMPACT:** Estimated loss of about \$320,000 revenue into the stormwater enterprise account by deferring implementation by four months until January of 2016. Potentially, there will be increased construction costs by delaying bidding of 7000 South project.

**STAFF RECOMMENDATION:**

Staff has no recommendation.

**MOTION RECOMMENDED:**

"I move to adopt Resolution No. 15-179 directing staff to set the effective date for the stormwater ERU change for \_\_\_\_\_."

Roll Call vote required

**Prepared by:**

  
Justin Stoker  
Public Works Deputy Director

**Reviewed by:**

  
Wendell Rigby  
Public Works Director

**Reviewed by:**

  
Ryan Bradshaw  
Finance Manager

**Reviewed by:**

  
Bryce Haderlie  
Interim City Manager

## **BACKGROUND DISCUSSION:**

On August 12<sup>th</sup>, the City Council approved changes to the way that the stormwater ERU was calculated. During that discussion, no direction was given regarding an effective date for implementation. Without specific guidance, city staff took the steps to implement the change immediately. The soonest that the change would be made is on the September commercial utility bill. As a matter of customer service, a bill insert was prepared and sent with the August commercial utility bills informing people of the change and providing them a contact for questions (a hard copy of the notice was provided to City Council).

### **Need:**

City Council members have suggested that it would be better to give business more time to understand the change and be able to better plan and budget for the change starting at the next calendar year.

### **Impact:**

Revenue from the ERU change is intended to be used to cover bonding for the 7000 South storm drain project and deepening of Constitution Park. Authorization was given by the City Council on August 26<sup>th</sup> to proceed with design of the project that is scheduled to go out for bid in January and to begin as soon as weather permits. Typically, going out to bid on large projects in the winter, receives lower bid amounts as contractors look to fill their construction schedule. Projects that get bid later in the spring or summer risk higher costs from contractors that are already busy. The bonding for the construction costs for Phase 1 of the 7000 South improvements will take place approximately 120-days after implementation of the ERU change. Bonding companies expect two months of data for evaluation and an additional 45-days for bond processing. This pushes the bidding of the 7000 South project into the middle of the spring. There may be an option to estimate revenue for bonding purposes, but there is a level of risk with the bonding company if the estimated values deviate too much from actual.

### **Summary:**

Staff requests specific direction regarding implementation of the ERU change.

**THE CITY OF WEST JORDAN, UTAH**

**A Municipal Corporation**

**RESOLUTION NO. 15-179**

**A RESOLUTION SPECIFYING THE EFFECTIVE DATE OF THE STORMWATER  
EQUIVALENT RESIDENTIAL UNIT (ERU) CHANGE**

Whereas, the City Council of the City of West Jordan has approved changes to the way that the stormwater ERU is calculated; and

Whereas, the City of West Jordan has determined that additional time to implement the changes will benefit both the City and local businesses; and

NOW, THEREFORE, IT IS RESOLVED BY THE CITY COUNCIL OF WEST JORDAN, UTAH:

Section 1. Staff is hereby directed to implement the approved changes to the stormwater ERU, effective \_\_\_\_\_.

Section 2. This Resolution shall take effect immediately.

Adopted by the City Council of West Jordan, Utah, this 9<sup>th</sup> day of September 2015.

\_\_\_\_\_  
KIM V. ROLFE  
Mayor

ATTEST:

\_\_\_\_\_  
MELANIE S. BRIGGS  
City Recorder

Voting by the City Council	"AYE"	"NAY"
Jeff Haaga	_____	_____
Judy Hansen	_____	_____
Chris McConnehey	_____	_____
Chad Nichols	_____	_____
Sophie Rice	_____	_____
Ben Southworth	_____	_____
Mayor Kim V. Rolfe	_____	_____